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SUBJECT: Four Egyptian Companies suspended for Violating QIZ  
Regulations

¶1. Four Egyptian companies were suspended earlier this month by the Joint Egyptian & Israeli committee for a period of three months for violating Qualifying Industrial Zones regulations. Ali Awni, QIZ unit chief, stated that three companies, Misr Company for Industrial and Textile Investments, International Textile House of Egypt, and Egyptian Company for Dyeing and Finishing (Azghaltex), did not meet the 10.5 percent Israeli content requirement. The fourth company, El Nenaiea Company for Industries and Trading, did not present its exports documents for review by the QIZ unit.

¶2. Under the rules, companies found to be in violation of the rules are suspended for three months for the first violation, six and twelve months for the second and third violations respectively. Egypt and Israel signed the QIZ agreement in December 2004 to take advantage of the U.S. government Qualifying Industrial Zone program; the U.S. waives duties on imports from Egypt containing 10.5 percent Israeli content. A total of 733 Egyptian companies are currently registered to export under the program.

Scobey